

AMC's FAQ's

Q. I am filling out the paper AMC application. Is the application fee \$3300 PLUS 99?

A. Yes. The total paper application fee is \$3399. The \$99 online fee is required of every applicant regardless if the application is filed by paper. One check in the amount of \$3399 is acceptable.

Q. What methods of payment does TALCB accept?

A. TALCB accepts personal checks, cashier's checks and money orders. TALCB does not accept cash.

Q. Can the Primary Contact also be the Appraiser Contact?

A. Yes, as long as the Primary Contact holds an active, current license or certification issued by an appraiser regulatory agency within the jurisdiction of the Appraisal Subcommittee.

Q. Can the AMC have multiple Appraiser Contacts?

A. Yes.

Q. Does the AMC have to pay the fee to add existing panel members?

A. Yes. The AMC must pay the required fee to add or delete panelists from the AMC's panel list.

Q. Can an AMC require an appraiser to pay the fee for adding the appraiser to the panel?

A. Under section 1104.203(a)(18)(I) an AMC may not require an appraiser to pay a fee imposed on the AMC under Section 1104.052. Fees authorized to be imposed by this section are delineated in Board Rule 159.52. The \$10 fee to put an appraiser on the panel or remove an appraiser from the panel are fees imposed on the AMC. Therefore, the AMC cannot require the appraiser to pay the fee or reimburse that fee to the AMC.

Q. Can an Appraiser Trainee be a panelist?

A. An Appraiser Trainee cannot be a panelist and cannot be sponsored by the AMC.

Q. If the AMC is a business entity, the AMC application requires a "Certificate of Good Standing" letter dated within 21 days prior to the date of the application. Where do I obtain the letter?

A. The letter must be issued by the governing state agency where the business entity was incorporated or organized and must indicate that the AMC is in good standing. In Texas the letter titled "Certificate of

Account Status" may be obtained from the Texas Comptroller of Public Accounts. The letter advises that the account is in good standing with the state in regards to its franchise tax reports and payments.

If your state does not issue Certificates of Good Standing or Account Status or other similar letter, a Certificate of Existence showing that the business entity is currently active or authorized to do business in the state will be accepted.

Q. Is there a time frame of when the Primary Contact must complete the required 15 hour USPAP course?

A. No, there is no time frame for the 15 hour USPAP course, but the Primary Contact must provide a certificate which reflects the course completion date. However, the Primary Contact is required to complete a 7 hour USPAP Update course at the time of the license renewal. The course must be completed within the last 2 years.

Q. I am in the process of completing the AMC Registration Application. The Primary Contact does not have to be a licensed or certified appraiser. What is required of a non-licensed person to be the Primary Contact?

A. The Primary Contact must be a certified appraiser **OR** must have taken the 15-hour National USPAP course and remain current with a 7 hour USPAP Update course. This person is also required to submit the background history form which can be downloaded at <http://www.talcb.state.tx.us/pdf/forms/AMCOPB-0.pdf>.

Q. If any Owner of an AMC is a Business Entity, should the Background History Form be submitted on behalf of the Business Entity itself, or an individual as a representative of the Business Entity?

A. If any Owner of an AMC is a Business Entity, the Background History form should be submitted on behalf of the Business Entity itself and signed by any individual with legal authority to sign or act on behalf of the Business Entity.

Q. My AMC application has been approved. What is the next step to invite a group of panelists?

A. After the AMC registration has been approved by TALCB, each AMC is required to notify TALCB of its appraisal panelists by creating an online account and maintaining a list of Texas appraisers on the AMC's panel. If you have not registered on the "My License Online Services" feature, you must do so first by clicking the "Register here" link to set up a User ID at the bottom of the "My License Online Services" homepage. Once you have registered, an email with your temporary password will be sent to your email address of record. You may then enter your email address and temporary password and click on the "Log On" button. For step by step instructions, please use the [Registration Help Guide](#).

Q. We are an Appraisal Management Company based out of California. We are filling out all of the paperwork to be a registered AMC in your state. We will not have an office in the state of Texas. Can we use our FEIN on the application since we do not have a TIN?

A. Yes, the FEIN and TIN are both acceptable since some states refer to them differently. It is simply the Tax ID number for the company (AKA Federal Employer Identification Number).

Q. Once the AMC registration is approved; I understand that we will need to create an online account to maintain a list of appraiser panelists. Can you please explain the process of how we create an online account?

A. The online feature to add or delete panelists is available through the "My License Online Services" link on the TALCB website at <https://mylicense.trec.state.tx.us/datamart/mainMenuTXREC.do;jsessionid=6E946C0B2D1AE99191F1094FE1B27827>. Please be aware that the AMC should register with an email address that the AMC will always have access to. The registration email cannot be changed. Before registering, read the information on the website at http://www.trec.state.tx.us/renewing_applying.asp.

Q. What is the process to change the name of an AMC?

A. The change of name request must be in writing, on the AMC's letterhead, and signed by an authorized person of the AMC. Official documentation from the state (e.g. Certificate of Existence) reflecting the name change must be included with the request letter. The documentation must clearly reflect that the AMC has changed its name and is not a new company. If the primary contact person or the ownership of 10% or more of the company has changed, the AMC must also notify the Board of the change (online or on an AMC Change of Owner/Primary Contact Person form) within 15 days of the change, and submit a separate signed Owner/Primary Contact Background History Form for each person as applicable.

Q. Can a complaint be filed against an AMC for transactions that were completed before the AMC was registered with TALCB?

A. TALCB does not have the authority to investigate a complaint about an alleged violation that occurred prior to March 1, 2012. Any complaint received regarding a violation that occurred after March 1, 2012 will be opened for investigation in accordance with the Texas Appraisal Management Registration and Regulation Act ("Act") and TALCB Rules. However, since the Board has granted a grace period for AMCs to complete their registration until July 5, 2012, the way the complaint is processed will depend on the registration status of the AMC involved. If the AMC has completed registration, the normal complaint process will be followed. If the AMC is in the process of completing registration, the complaint will be considered a factor in approving registration and may be the basis for a denial or probated registration (Rule 159.201). If the AMC has not yet applied for registration, notice of the complaint would be sent to the AMC stating that it will be considered when the AMC applies and if the AMC does not register by July 5, 2012, the complaint can constitute the basis for action by the Board under §§1104.251-253 of the Act.

Q. Does an appraiser doing an appraisal review for an AMC have to be licensed or certified in Texas?

Yes. Tex. Occ. Code § 1104.153 states: "A person who performs an appraisal review for an appraisal management company must be licensed or certified under Chapter 1103 [the Texas Appraiser Licensing and Certification Act] with at least the same certification for the property type as the appraiser who completed the report being reviewed." Licensure or certification under Chapter 1103 would include certification by reciprocity but does not include registration as a temporary out-of-state appraiser. Note also that in addition to being licensed or certified in Texas, Board Rule §159.155(d) requires the review appraiser to have access to appropriate data sources for the appraisal being reviewed.

Q. Can a Certified Residential Appraiser review a residential appraisal report performed by a Certified General Appraiser?

Yes. Board Rule §159.155(e) interprets Tex. Occ. Code § 1104.153 to specifically allow for this practice.

Q. Can my AMC continue to practice even though it is not yet registered?

A. An unregistered AMC that continues to practice after July 5, 2012 does so at its own risk. The AMC's efforts to timely register before July 5 or its efforts to notify TALCB of its appraiser panelists once the AMC is registered are mitigating factors that will be taken into consideration by the Standards and Enforcement Services Division should a complaint be filed against the AMC for unlicensed activity.

Q. Can the AMC use an appraiser that is not on the AMC's panel list?

A. Under 22 TAC §159.161(a), AMC's are prohibited from making assignments to appraisers who are not a member of the AMC's panel, unless the appraiser is employed by the AMC on an employer-employee basis.

Q. An AMC assigns an order to an appraiser that is on the AMC's panel list. Can that appraiser reassign it to another appraiser who is NOT on the AMC's panel list?

A. An appraiser on the panel can reassign the appraisal to another appraiser so long as the appraiser on the panel remains responsible for the appraisal and signs off on the appraisal along with the appraiser who did the work. AMCs should ensure this procedure is followed in their work order or contracts when they give an assignment to an appraiser on their panel. See §1104.004 (a)(4) of the Texas Appraisal Management Company Registration and Regulation Act. AMCs should also note that an AMC may not require an employee of the appraisal management company who is an appraiser to sign an appraisal completed by another appraiser in order to avoid the requirements of the Act. See §1104.004 (b) of the Act and Board Rule §159.4. Also, appraisal firms who have one appraiser on a panel who routinely reassigns out to other appraisers should be aware that if they exceed the independent contractor exemption under §1104.004 (a) (2) of the Act (15 per year), they will have to register as an AMC and comply with all of the requirements of the Act.

Q. Is there a penalty if the AMC uses an appraiser that is not on the panel list?

A. Yes. If an AMC makes an assignment to an appraiser who is not a member of the AMC's panel (or an employee of the AMC), TALCB may seek disciplinary action, including, suspension or revocation of their license and an administrative penalty of up to \$10,000. The type and amount of discipline will be dependent on the circumstances involved.

Q. Will the AMC be required to obtain a surety bond to set up with TALCB when the application is filed?

A. No. The AMC is not required to obtain a surety bond.

Q. Is an appraiser required to file a complaint against an AMC that tries to give the appraiser an assignment but is not registered or exempt from registration in Texas?

A. Rule §153.20(a)(25) does not require the appraiser to turn in a complaint on an AMC that is not licensed or exempt from licensure, although reporting unlicensed activity would be appreciated and helpful to the Board. The burden for enforcement action against AMCs is and will continue to rest with the Board.

Q. What constitutes “reasonable due diligence” by an appraiser to verify that an AMC is registered in Texas or exempt from registration before accepting an assignment to avoid being subject to sanctions under §153.20(a)(25)?

A. The Board maintains an up-to-date list of all registered AMCs on its website (www.talcb.texas.gov). If an appraiser receives an assignment from an AMC, it takes very little time to go to the website and check the list. If the AMC is on the list, the appraiser needs to be on that AMC’s panel prior to accepting the assignment. The appraiser will know if the appraiser is on the panel because the appraiser will have received an invitation to join the panel via email and can accept with a click of the mouse. If the appraiser is not on the panel, the appraiser needs to ask the AMC to invite the appraiser to join its panel.

If the AMC is not on the Board’s list of registered AMCs, the appraiser should ask for confirmation from the AMC that they are not required by law to be registered before accepting the assignment. Written confirmation (letter or email) is recommended since it provides evidence that the verification was performed. If the appraiser has some form of evidence that the appraiser verified the AMC’s status, the appraiser will not be sanctioned under this rule if it is later discovered that the AMC was not operating legally in Texas.

Q: Under Texas law does the definition of AMCs include software technology companies or “portals”? Examples of portals include:

- 1. Entities that provide a database system for third party connection of real estate property appraisers with users of appraisals, appraisal review and appraisal consulting services.**
- 2. Entities that provide software by sale or lease that is used to connect real estate property appraisers with the users of valuation services.**

A: Texas law does not specifically include “portals”. However, our definitions of "Appraisal Management Company" and "Appraisal Management Services" are broad and a company that provides appraisal management software or technology services may or may not fall under the statute depending on the specific services - or bundle of services - it provides. For example, under our definition, it is an “appraisal management service” if the company directly or indirectly administers an appraisal panel or recruits, retains or selects an appraiser. Therefore one of the questions we ask to help determine if the “portal” is acting as an AMC is whether or not the company selects or qualifies the appraisers that the lender clients may use for their assignments. If the company does, then we consider them to be an AMC. Under Texas' definitions, if the company collects fees from creditors and reimburses appraisers for appraisal services, the company would be considered an AMC. So another question we ask is how the company is compensated for their "portal" service? Are they sharing in the fees paid to appraisers (like many AMCs

do), or do they simply charge a fixed amount for use of the "technology service"? Another red light we look for is whether or not their marketing material states that their program guarantees the lender "regulatory compliance". This would imply that they are somehow managing the process for their lender clients (like an AMC would) to ensure appraiser independence. Since our definition also includes activities like "managing the process of having an appraisal performed", if the company makes assignments, tracks the orders for appraisals or conducts reviews of the appraisal reports, we would consider them to be an AMC. So, software technology companies need to analyze the definitions set out in Texas Occupations Code §1104.003 against their specific practices to determine if they will be considered to be acting as an AMC under Texas law.